

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CERTIFICATION OF THE CARRIERS)	
RECEIVING FEDERAL UNIVERSAL)	ADMINISTRATIVE
SERVICE HIGH-COST SUPPORT)	CASE NO. 381

O R D E R

The Commission has entered Orders pursuant to the Federal Communications Commission (FCC) rules certifying that carriers¹ in Kentucky plan to use their forward looking high-cost support for authorized purposes for the calendar years 2000, 2001, 2002, and 2003.² 47 C.F.R. Sections 54.313 and 54.314 require states to ensure that carriers use the federal high-cost support for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Also, states must ensure that federal support is being applied in a manner consistent with Section 254 of the Telecommunications Act of 1996.³ For 2000, only the use of forward-looking support was to be certified. Beginning with the federal support for 2001, certification by state

¹ Carriers are, in this context, defined as rural and non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of a rural or non-rural incumbent local exchange carrier within their jurisdiction receiving support pursuant to 47 C.F.R. Section 54.309 (Calculation and Distribution of Forward-Looking Support for Non-Rural Carriers), Section 54.311 (Interim Hold-Harmless Support for Non-Rural Carriers), and Section 54.314 (State Certification of Support for Rural Carriers).

² Federal-State Joint Board on Universal Service Ninth Report and Order and Eighteenth Order on Reconsideration (Ninth Report and Order), CC Docket Number 99-45; FCC 99-306, released November 2, 1999, Appendix C, Section 54.313 and Administrative Case No. 381 Orders dated March 24, 2000, September 29, 2000, September 25, 2001, September 27, 2002, and August 18, 2003.

³ Ninth Report and Order at Paragraphs 93-110.

commissions is required regardless of whether the support is forward-looking or hold harmless. On May 23, 2001, the FCC issued an order in CC Docket 96-45 and CC Docket 00-256 that changed the methodology by which rural carriers receive high-cost support. Also, in that order, the FCC required the states to certify that the high-cost support received by rural carriers is consistent with 47 U.S.C. § 254(e).⁴ Certification must occur by October 1 prior to the year for which support is rendered.

All carriers eligible to receive support have certified to the Commission that the use of the federal universal service support will be used in accordance with 47 U.S.C. § 254(e). All carriers propose to use their universal service support to upgrade facilities to ensure that rural services are reasonably comparable to urban services and to maintain their current rates as allowed by the FCC.⁵ Attached as Exhibit 1 is a schedule of support that each carrier is projected to receive.

On November 26, 2002, the Commission certified e-Tel, LLC as an ETC in the territory of BellSouth Telecommunications, Inc.⁶

The Commission finds that the carriers proposals to use federal support to upgrade facilities and proposals to maintain embedded rates are consistent with the requirements of Congress and the FCC.

⁴ In the Matter of Federal-State Joint Board on Universal Service Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report And Order, Twenty-Second Order On Reconsideration, And Further Notice Of Proposed Rulemaking In CC Docket No. 96-45, And Report And Order In CC Docket No. 00-256; FCC 01- 157, Released May 23, 2001. See generally Paragraphs 185-193.

⁵ Ninth Report and Order, paragraph 106.

⁶ Case No. 2002-00323, e-Tel, LLC for Designation as an Eligible Telecommunications Carrier, Order dated November 26, 2002. Attached as Exhibit 2.

IT IS THEREFORE ORDERED that:

1. The proposals of all of the carriers are hereby certified as complying with the FCC's criteria and, accordingly, these utilities are eligible to receive federal Universal Service Fund support.

2. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company to ensure that all carriers receive their 2004 federal high-cost support.

3. By September 1 of each calendar year, all carriers shall file with the Commission their plans for the use of any high-cost federal support.

Done at Frankfort, Kentucky, this 23rd day of September, 2003.

By the Commission

ATTEST:

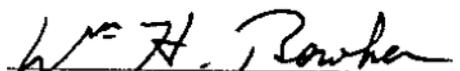

Deputy Executive Director

EXHIBIT 1

Universal Service Funding
 High Cost Fund Support by Study Area
 Fourth Quarter 2003

State	SAC	Study Area Name	Rural	Type	Eligible	ETC	High Cost Model Monthly Support	High Cost Loop Monthly Support	Safety Net Additive Monthly Support	Interstate Access Monthly Support	Long Term Monthly Support	Local Switching Monthly Support	Inter M Su
KY	260396	Ballard Rural Tel. Coop. Corp. Inc.	R	A	Y	Y	\$0	\$16,641	\$0	\$0	\$11,390	\$28,919	
KY	260398	Brandenburg Telephone Company	R	A	Y	Y	\$0	\$0	\$0	\$0	\$42,693	\$69,372	
KY	260401	Duo County Tel. Coop. Corp., Inc.	R	C	Y	Y	\$0	\$173,003	\$0	\$0	\$30,993	\$24,779	
KY	260402	Alltel Kentucky Inc.	R	C	Y	Y	\$0	\$29,036	\$0	\$0	\$0	\$23,096	
KY	260406	Foothills Rural Tel. Coop. Corp.	R	C	Y	Y	\$0	\$175,541	\$0	\$0	\$36,377	\$21,297	
KY	260408	Gearheart Communications	R	A	Y	Y	\$0	\$0	\$0	\$0	\$14,479	\$27,913	
KY	260411	Leslie County Tel. Co.dba TDS Telecom	R	C	Y	Y	\$0	\$103,772	\$0	\$0	\$55,390	\$13,932	
KY	260412	Lewisport Telephone Co. dba TDS Telecom	R	A	Y	Y	\$0	\$229	\$0	\$0	\$2,010	\$9,663	
KY	260413	Logan Tel. Coop. Inc.	R	C	Y	Y	\$0	\$178,707	\$6,352	\$0	\$16,500	\$22,092	
KY	260414	Mountain Rural Tel. Coop. Corp. Inc.	R	A	Y	Y	\$0	\$0	\$0	\$0	\$36,873	\$32,843	
KY	260415	Peoples Rural Tel. Coop. Corp.	R	C	Y	Y	\$0	\$126,946	\$7,381	\$0	\$20,757	\$42,377	
KY	260417	Salem Telephone Company dba TDS Telecom	R	A	Y	Y	\$0	\$0	\$0	\$0	\$5,105	\$9,759	
KY	260418	South Central Rural Tel. Coop. Corp. Inc.	R	C	Y	Y	\$0	\$437,042	\$0	\$0	\$73,726	\$26,366	
KY	260419	Thacker/Grigsby Tel. Co.	R	A	Y	Y	\$0	\$9,268	\$0	\$0	\$19,354	\$27,035	
KY	260421	West Kentucky Rural Tel.	R	A	Y	Y	\$0	\$45,936	\$0	\$0	\$45,253	\$49,519	
KY	265061	CINCINNATI BELL-KY	N	C	Y	Y	\$12,287	\$0	\$0	\$36,637	\$0	\$0	
KY	265182	BELLSOUTH - KY	N	C	Y	Y	\$173,658	\$0	\$0	\$616,932	\$0	\$0	
KY	269001	Southeast Telephone, Inc.	N	X	Y	Y	\$0	\$0	\$0	\$0	\$0	\$0	
KY	269001	Southeast Telephone, Inc.	N	X	N	Y	\$46	\$0	\$0	\$0	\$0	\$0	
KY	269690	Kentucky Alltel, Inc. - Lexington	N	C	Y	Y	\$78,440	\$0	\$0	\$787,731	\$0	\$0	
KY	269691	Kentucky Alltel, Inc. - London	R	C	Y	Y	\$0	\$399,795	\$0	\$56,314	\$0	\$0	
TN	290565	Highland Tel. Coop. Inc.	R	A	Y	Y	\$0	\$0	\$0	\$0	\$59,927	\$39,225	
TN	290573	North Central Tel. Coop. Inc.	R	C	Y	Y	\$0	\$157,873	\$0	\$0	\$79,014	\$27,363	
KY	269003	e-Tel, LLC	N	X	Y	Y	\$0	\$0	\$0	\$0	\$0	\$0	

LEGEND

Rural R - Rural Carrier

N - Non-Rural Carrier

Type A - Average Schedule Incumbent

C - Cost Incumbent

Eligible Y - Eligible Participant

N - Ineligible Participant

ETC Y - ET

Grante

N - ET

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

e-Tel, LLC FOR DESIGNATION AS AN)
ELIGIBLE TELECOMMUNICATIONS) CASE NO. 2002-00323
CARRIER)

ORDER

On August 29, 2002, e-Tel, LLC (e-Tel) petitioned the Commission to designate e-Tel as an eligible telecommunications carrier (ETC) pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. 54.201-207.

PROCEDURE

On October 14, 2002, the Commission issued an Order requesting written comments from the parties and other interested persons. No comments were received. A data request was also attached to the Order as Appendix A and e-Tel responded on October 31, 2002.

e-TEL

e-Tel is a competitive local exchange carrier (CLEC) with its principal location at 607 Broadway, Paducah, Kentucky 42001. e-Tel provides local exchange service using its own facilities to approximately 600 customers within the city of Murray, Kentucky. e-Tel s proposed service area will include study areas currently served by BellSouth Telecommunications, Inc. (BellSouth).

STATUTORY PROVISIONS

To receive ETC status, the Federal Communications Commission (FCC) requires a common carrier to: (1) offer services that are supported by federal universal

support mechanisms¹ throughout its designated service area; (2) provide these services using its own facilities (including unbundled network elements) or a combination of its own facilities and resale of another carrier's facilities; and (3) advertise the availability of these services through media of general distribution.

The Commission finds that e-Tel has met the standards established by the FCC. e-Tel currently provides services eligible for support by the federal universal service fund to 100 percent of the lines in the service area for which it seeks ETC designation.² In response to the Commission's October 14, 2002 Order requesting information, e-Tel responded that it offers these services through use of its own facilities. e-Tel has not begun advertising the availability and price of these services using media of general distribution, but assures the Commission that it will do so if granted ETC status.³ e-Tel has fully complied with FCC guidelines regarding ETC designation.

CONCLUSION

e-Tel has provided sufficient evidence for this Commission to grant ETC status. This designation will benefit consumers in Kentucky by expanding the range of competitive choices and by providing an incentive for incumbent telephone companies to improve their existing networks.

¹ These services are: (1) Voice grade access to the public switched network; (2) Local usage; (3) Dual tone multi-frequency signaling or its functional equivalent; (4) Single-party service or its functional equivalent; (5) Access to emergency services; (6) Access to operator services; (7) Access to interexchange services; (8) Access to directory assistance services; and (9) Toll limitation for qualifying low-income consumers. 47 C.F.R. Section 54.101(a).

² e-Tel's Response to the Commission's October 14, 2002 Order at 2.

³ e-Tel's Response to the Commission's October 14, 2002 Order at 4.

The Commission, having reviewed the evidence of record and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. e-Tel is designated as an ETC for the current service territory of BellSouth. Accordingly, e-Tel is eligible to receive federal Universal Service Fund support.

2. e-Tel shall offer universal support services to consumers in its service area.

3. e-Tel shall offer these services using its own facilities or a combination of its own facilities and resale of another carrier's services, including the services offered by another ETC.

4. e-Tel shall advertise the availability of and charges for these services using media of general distribution.

5. A copy of this Order shall be served upon the FCC and the Universal Service Administrative Company.

Done at Frankfort, Kentucky, this 26th day of November, 2002.

By the Commission

ATTEST:


Executive Director